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3 SEP 1987

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy Director of Central Intelligence  
FROM: Carroll L. Hauver  
Inspector General  
SUBJECT: The Inverted Candleholder and Rush Lamp Stamps  
REFERENCE: [redacted] Press, dtd 1 Sep 87,  
Story: 3722, [redacted]

1. You asked for the facts pertaining to involvement by CIA personnel in the acquisition and sale of the inverted candlestick stamps.

- On 27 March 1986, an [redacted] employee [redacted] made a routine purchase of 95 \$1.00 stamps at the McLean Post Office using Agency funds.
- On 31 March 1986, another [redacted] employee noticed the printing error. The defective stamps were replaced by [redacted] personnel using their personal funds.
- On or about 2 April 1986, two [redacted] [redacted] personnel sold 86 defective stamps to a dealer in New Jersey. OS investigators were told that the other nine stamps had been used for postage.
- The proceeds from the sale were divided evenly among nine [redacted] employees working in the [redacted] each received a check from the dealer in the amount of \$2,777.77.
- From 8-27 June 1986, the Bureau of Engraving and Printing conducted an inquiry into the misprinted stamps which included an interview with two of the [redacted] employees involved.

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- On 9 April 1987, the Bureau of Engraving and Printing sent to the Agency a summary of its investigative report in connection with a routine FOIA request.
- On 14 May 1987, OGC alerted my office to the sale of the misprinted stamps and the possibility that a violation of criminal law may have occurred.
- On 15 June 1987, the Office of Security completed its investigation and the report was sent to us on 5 August 1987.

2. The [redacted] suspended one employee for three days; two employees were suspended for one day; and the remaining six employees were given a verbal reprimand.

[redacted]

4. I am continuing to monitor the OS investigation and I intend to step in at the appropriate time.

~~Carroll L. Hauver~~

Carroll L. Hauver

[redacted]

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